

Summary of Kentucky's Medicaid Transformation Initiative

Component	Description
Reform Authority	<ul style="list-style-type: none"> State Plan Amendment
Reform name	<ul style="list-style-type: none"> <i>KyHealth Choices</i>
Time Frame	<ul style="list-style-type: none"> The <i>KyHealth Choices</i> Waiver was approved by CMS on January 18, 2006. Kentucky began implementing the waiver in May 15, 2006. On May 3, 2006, CMS approved Kentucky's state plan amendment to restructure its benefits package.
Goals	<ul style="list-style-type: none"> Stretch resources to most appropriately meet the needs of members Encourage personally responsibility for health care Provide a continuum of care options Expand individual choice and engagement Ensure future solvency of the Medicaid program
Main Program Elements	<ul style="list-style-type: none"> Targeted benefits Cost-Sharing Employer-Sponsored Health Insurance Integrated Care Disease Management Get Healthy Accounts
Quick Summary	<ul style="list-style-type: none"> <i>KyHealth Choices</i> is the name of Kentucky's revised Medicaid program. The program will provide tailored benefit packages to four categories of beneficiaries, including the general Medicaid population, children, elderly and beneficiaries with disabilities or mental retardation. Most Medicaid beneficiaries will receive a standard benefit package, known as Global Choices, which will provide basic medical services for most members, including mental health services. Other packages will target services to the needs of children and individuals requiring long-term care. Benefits may vary in amount, duration, and scope. Benefits may include dollar amount limits and limits on the number of office visits. <i>KyHealth Choices</i> will require beneficiaries to enroll in employer-sponsored private health insurance if it is available and if it is more cost-effective. The program will draw on the private sector's experiences and use best practices to coordinate mental health, physical health and mental retardation, and developmental disabilities. <i>KyHealth Choices</i> will implement disease management programs for chronic conditions such as cardiovascular disease, pulmonary disease, and pediatric obesity and diabetes. The program will provide incentives to beneficiaries who engage in healthy behaviors. Funds will be deposited into accounts to offset health care-related costs, such as co-payments, smoking cessation, and weight loss programs. Initially, disease conditions for participation will be limited to pulmonary disease, diabetes, and cardiac conditions; however, conditions will be added later.

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Populations Covered	<ul style="list-style-type: none"> • <i>KyHealth Choices</i> applies to all Medicaid enrollees throughout Kentucky except those in the counties surrounding the Louisville area, where an existing Medicaid managed care demonstration waiver (Kentucky Passport) operates. • The state enrolls members in one of the following four plans: <ul style="list-style-type: none"> ○ <u>Global Choices</u> covers the general Medicaid population ○ <u>Family Choices</u> covers must children and the KCHIP population ○ <u>Optimum Choices</u> covers individuals with mental retardation in need of long-term care. ○ <u>Comprehensive Choices</u> covers individuals who are elderly and in need of a nursing facility level of care and individuals with acquired brain injuries.
Service Providers	<ul style="list-style-type: none"> • Approved Kentucky Medicaid providers are required to provide all services included in a member's benefit package. • Providers providing services to members receiving benefits for one of four new packages will be reimbursed on a fee-for-services basis using fee schedules approved by Kentucky. • Claims will be submitted and reimbursed by the State's Fiscal Intermediary in accordance with requirements and fee schedules in effect for the program.
Benefit Packages	<ul style="list-style-type: none"> • Coverage is based upon financial and categorical eligibility. Many disabled and long-term unemployed individuals will continue to receive care on a fee-for-service basis. In addition, special packages will be developed to ensure appropriate care for those who need long-term care. All of the benefit packages will cover mandatory Medicaid services. • <u>Global Choices</u> is the standard package provided for most Medicaid members and is the benchmark to which the other plans are compared. This plan provides basic medical services, including mental health services in inpatient and outpatient settings. Hearing and vision services are limited to those 18 and under unless the service is EPSDT related. • The <u>Comprehensive Choices</u> plan will include all benefits in Global Choices and it will cover individuals who need a nursing facility (NF) level of care, are at risk of institutionalization and/or have been previously covered under the home and community based (HCB) Waiver, Model II (ventilator services), or the acquired brain injury (ABI) Waiver. The plan includes NF level of care services and all services currently available under the current ABI, Model II and HCB waivers as well as nursing facility services. • <u>Optimum Choices</u> covers disabled adults in need of ICF/MR level of care, are at risk of institutionalization and/or are currently being served in the supports for community living waiver (SCL) waiver. The plan will include all benefits in Global Choices and it will include ICF/MR level of care services such as all services under the current SCL waiver and the ICF/MR services. Optimum Choices also includes a new lower level of services aimed at keeping people in their homes longer. • The <u>Family Choices</u> package is designed for children and will serve those currently by the KCHIP program and some children currently served under the traditional Medicaid program.

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	<ul style="list-style-type: none"> To provide additional or special services to the target populations, the <i>KyHealth Choices</i> benefit packages may vary the amount, duration, and/or scope of certain services and may contain service-specific coverage limits, such as the number of visits or dollar cost. These limits are “soft” rather than “hard” and additional visits or services beyond the stated limit may be approved if medically necessary.
Cost Sharing	<ul style="list-style-type: none"> <i>KyHealth Choices</i> will require some members to pay certain pharmacy and non-pharmacy related services; co-pays are based on income levels. Co-pays are due to the provider at the time of service. <i>KyHealth Choices</i> members will not have to pay co-pay for any covered service if the member is: <ul style="list-style-type: none"> A child under the age of 18 covered by Medicaid; Pregnant Receiving a Medicare-covered drug at a pharmacy that is a certified provider for Medicare; Receiving inpatient services in a nursing facility chronic disease or rehabilitation hospital or intermediate-care facility for the mentally retarded, or is admitted to a hospital from such a facility; Receiving hospice care; Has reached the co-pay cap for the year. The co-pay cap for all plans is \$225 per individual for pharmacy services and \$225 per individual for all other medical services.
Get Healthy Benefits Accounts	<ul style="list-style-type: none"> Program promotes wellness, self-care, and health management by providing a direct incentive to enrollees to take an active role in their health. All members who have one of several targeted conditions will be eligible. Initially, disease conditions for participation will be limited to pulmonary disease, diabetes, and cardiac conditions; however, additions may be added later. Get Healthy Benefits will include additional dental and vision services or obtaining nutritional or smoking cessation counseling.